

ARIA CAPITAL MANAGEMENT (EUROPE) LIMITED

ESG Policy

September 2025

Scope of Policy:	To set out the company's approach to environmental, social and governance ("ESG") considerations, in accordance with the provisions of <i>inter alia</i> the Sustainable Finance Disclosure Regulation (SFDR)
Policy Owners:	Board or Directors
Date of approval:	September 2025

Version	Details (including date amended)
1.0	April 2025
2.0	September 2025

1. PURPOSE AND RATIONALE

- 1.1. The purpose of this policy (the “**ESG Policy**” or “**Policy**”) is to set out ARIA Capital Management (Europe) Limited’s (C 26673) (the “**Company**” or “**Aria**”) approach to environmental, social and governance (“**ESG**”) considerations, in accordance with the provisions of *inter alia* the SFDR (as defined below).
- 1.2. This ESG Policy reflects the Company’s commitment to integrating ESG considerations into the provision of its Services (defined below) as part of its overall strategy.
- 1.3. The Board of Directors of the Company (the “**Board**”) is satisfied that this document is consistent with the risk-profiles, long-term business strategy, objectives, values, and interests of the Company.
- 1.4. The primary objectives of this ESG Policy are:
 - (a) outlining how the Company **integrates Sustainability Risks** into its investment decision making process and investment advisory services with a view to ensuring that potential Sustainability Risks are adequately identified, measured and monitored;
 - (b) **enhancing transparency** about how the Company integrates Sustainability Risks (as defined below) into its investment decision-making process and investment advisory services, with a view to ensuring compliance with the regulatory requirements of the SFDR;
 - (c) outlining the Company’s position in relation to the **consideration of principal adverse impacts** of its investment decisions and advice on Sustainability Factors; and
 - (d) outlining how the Company suitability assessment procedures ensures that **Sustainability Preferences** of its clients are assessed and taken into consideration.
- 1.5. This ESG Policy applies to the Company’s directors, all employees, contractors, and any third parties acting on its behalf.

2. DEFINITIONS

- 2.1. In this ESG Policy, the following terms, when used, shall have the meanings set out hereunder:

MiFID II Delegated Regulation	means Commission Delegated Regulation (EU) 2021/1253 of 21 April 2021, amending Delegated Regulation (EU) 2017/565 as regards the integration of sustainability factors, risks and preferences into certain organisational requirements and operating conditions for investment firms;
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Services	shall have the meaning assigned to it in section 3.1 of this Policy;
SFDR	means Regulation (EU) 2019/2088 of the European Parliament of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, as amended;
Sustainability Factors	shall have the meaning assigned to it in the SFDR, this being <i>“environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters”</i> ;
Sustainability Preferences	shall have the meaning assigned to it in Article 1 of the MiFID II Delegated Regulation; and
Sustainability Risks	shall have the meaning assigned to it in the SFDR, this being <i>“an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment”</i> .

3. **REGULATORY STATUS**

- 3.1. ARIA Capital Management (Europe) Limited is a company registered under the laws of Malta having company registration number C 26673 and is licensed by the Malta Financial Services Authority to provide, amongst others, discretionary portfolio management services and investment advisory services (collectively, the “**Services**”) in terms of the Investment Services Act (Cap. 370 of the laws of Malta).

4. **SFDR OBLIGATIONS OF THE COMPANY**

- 4.1. In terms of the SFDR, the Company qualifies as: (i) a ‘financial market participant’, to the extent that it acts in its capacity as an investment firm providing portfolio management services; and (ii) a ‘financial adviser’, to the extent that it acts in its capacity as an investment firm providing investment advice. On this basis, the Company is required to comply with the rules, set out in the SFDR, applicable to ‘financial market participants’ and ‘financial advisers’, depending on the nature of services provided by the Company.
- 4.2. At entity-level and in terms of the SFDR, the Company is required to:
- (a) have in place policies and procedures setting out its approach to the integration of Sustainability Risks in its investment decision-making and investment advisory processes;
 - (b) disclose whether it considers principal adverse impacts on investment decisions on Sustainability Factors;
 - (c) include, in its remuneration policy, information on how said policy is consistent with the integration of Sustainability Risks;
 - (d) publish information on its website about: (i) its policies on the integration of Sustainability Risks; (ii) its position insofar as the consideration of principal adverse impacts on Sustainability

Factors is concerned; and (iii) how its remuneration policy is consistent with the integration of Sustainability Risks.

5. **SERVICES**

- 5.1. To the extent relevant to SFDR, the Company provides: (a) discretionary management services in respect of collective investment schemes; and (b) discretionary management services and investment advice to clients which do not qualify as collective investment schemes.

(a) Discretionary management services in respect of collective investment schemes

Article 8 fund

The Company is currently responsible for the day-to-day management of the Global Impact Income Fund (“**GIIFGIIF**”), which responsibility has been delegated to it by the Aria SICAV p.l.c. (SV 415) (“**Aria**”). GIIF classifies as an Article 8 financial product in terms of the SFDR, meaning that it promotes, among other characteristics, environmental and/or social characteristics.

Article 6 funds

The Company is also currently responsible for the day-to-day management of four (4) sub-funds of ARIA SICAV plc (SV 415) (as listed in Annex A hereto) (the “**Sub-Funds**”) which classify as Article 6 financial products in terms of the SFDR. These Sub-Funds do not promote, among other characteristics, environmental and/or social characteristics in a way that meet the Article 8 classification for SFDR purposes; and the Sub-Funds do not have sustainable investment as their objective in a way that meet the Article 9 classification for SFDR purposes.

(b) Services to clients which do not qualify as collective investment schemes

The Company also provides services to clients, which do not qualify as collective investment schemes. Unless otherwise specified in the client mandate, these services do not consider sustainable risks, as outlined below.

6. **INTEGRATION OF SUSTAINABILITY RISKS**

General

- 6.1. This section sets out an overview of how the Company defines Sustainability Risks and how these risks are integrated into its investment decision making and advisory processes, where relevant.¹
- 6.2. Sustainability Risks refer to an environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of the investment. The Company treats Sustainability Risk as both a standalone risk, and a cross-cutting risk which

¹ Said relevance, in respect of collective investment schemes, is also determined on the basis of whether the schemes to which the Company provides services are Article 6 or Article 8 funds, in terms of the SFDR.

manifests through other principal risk types (such as financial risks, operational risks and credit risks). The Company promotes a sound and effective risk management culture to protect the value of investments, without any incentive or bias towards excessive risk taking, which implicitly includes any category of risks, including Sustainability Risks. When providing the Services, the Company considers all relevant Sustainability Risks that, where they occur, could have an actual or potential material negative impact on the value of an investment.

6.3. The Company seeks to identify and understand material Sustainability Risks that may have investment ramifications, and potentially impact an investment's long-term financial performance. Environmental, Social, and Governance (ESG) considerations assessed by the Company include, but are not limited to:

- Environmental: climate change mitigation and adaption; air and water pollution; biodiversity preservation; deforestation; energy efficiency; carbon intensity; the use of finite natural resources; and the development of sustainability products, including energy-efficient technologies and renewable energy solutions .
- Social: human rights practices; equality of treatment and opportunities; supply chain ethics; labour conditions and controversies; brand and reputational impacts; and the presence or absence of inhumane or unlawful working conditions.
- Governance: transparency and integrity; effective management of conflicts of interests; the strength of corporate governance structures; board oversight; shareholder rights; exposure to bribery and corruption; whistle-blower protections; the role of governance bodies in addressing sustainability matters; and the robustness of internal control and risk management systems.

6.4. Sustainability Risks vary by country, industry, markets, as well as by characteristics specific to a target company such as size and geographical footprint. Accordingly, the Company takes these factors into consideration when undertaking the assessment of the Sustainability Risks associated with an investment, where relevant.

Integration of Sustainability Risks: Discretionary management services in respect of collective investment schemes

- Guidelines for the Sub-Funds

6.5. The Company does not currently deem Sustainability Risks to be relevant to the Sub-Funds with Article 6 status and the investments made by these Sub-Funds as this does not fit with: (1) the current or intended future composition of the Sub-Funds' portfolios; and (2) any of the investment strategies and/or policies of the Sub-Funds.

6.6. Accordingly, the Company does not carry out an assessment, nor does it obtain information on Sustainability Factors and related Sustainability Risks in respect of the individual investments made in respect of the Article 6 Sub-Funds (AlphaPredictor Multi-Asset Defensive Fund,

AlphaPredictor Multi-Asset Balanced Fund, AlphaPredictor Multi-Asset Dynamic Growth Fund, and the Aria Target Income Fund).

- *Guidelines for GIIF*

- 6.7. With respect to GIIF, which has Article 8 status under SFDR, the Company takes due consideration of Sustainability Factors and related Sustainability Risks in the management of GIIF's portfolio in line with (and to the extent set out in) Aria's "*Environmental, Social and Governance Policy*" (the "**Aria SICAV ESG Policy**") and paying due regard to the offering documents of Aria and GIIF.

Integration of Sustainability Risks: Discretionary management services and investment advice to clients which do not qualify as collective investment schemes

- 6.8. When providing discretionary management and/or advice, the Company is required to carry out suitability assessments in line with its relevant policies and procedures. As part of this suitability assessment and as part of the Company's assessment of the client's investment objectives, time horizon and individual circumstances, the Company will also collect information on the client's Sustainability Preferences. Once a range of suitable products have been identified by the Company following the suitability assessment, the Company will consider Sustainability Factors and related Sustainability Risks and screen target entities and/or products consistent with, *inter alia*, the clients' Sustainability Preferences and the Company will aim to recommend and/or trade in such products on an ongoing basis, as applicable.
- 6.9. The Company makes an assessment of Sustainability Risks as aforesaid only to the extent that the client indicates Sustainability Preferences, and, in the event that the client does not indicate any Sustainability Preference, these will not be taken into account. The results of suitability assessments carried out by the Company on its clients will have a material bearing on the level of integration by the Company of Sustainability Risks in the provision of discretionary management and advice services to its clients, as, *inter alia*, Sustainability Preferences may vary from one client to another.

7. CONSIDERATION OF PRINCIPAL ADVERSE IMPACTS

- 7.1. Principal adverse impacts ("**PAI**") are those impacts arising from investment decisions that have a negative, material, potentially material effect on Sustainability Factors that result from, worsen, or are directly related to investment decisions or advice.

Consideration of PAIs: Discretionary management services in respect of collective investment schemes

- 7.2. With respect to the Article 6 Sub-Funds, the Company does not consider the PAIs of investment decisions on Sustainability Factors.
- 7.3. With respect to the GIIF, and in line with the Aria ESG Policy and to the extent set out therein, the Company has chosen to consider the PAIs of investment decisions on Sustainability Factors.

- 7.4. With respect to GIIIF the Company has established a due diligence framework with respect to PAIs, described below, to report against all relevant PAI indicators. The responsibility for implementing this PAI framework with respect to GIIIF lies with the Company's portfolio managers. In order to support the investment professionals' capacity to incorporate Sustainability Factors into their decision-making, Aria has employed personnel who work portfolio managers by providing ESG-oriented research, data tools and subject matter expertise. This PAI framework will be reviewed and updated annually and on an *ad hoc* basis in case of amendments to the regulatory framework or if otherwise deemed necessary.

(a) Identification and prioritisation of principal adverse sustainability impacts and indicators

Aria considers the PAIs of its investment decisions on Sustainability Factors, in accordance with Article 4(1)(a) of the SFDR and the associated Regulatory Technical Standards (Commission Delegated Regulation (EU_ 2022/1288 ("**RTS**")), annually.

As part of its investment process, Aria considers the PAIs of investment decisions on Sustainability Factors by identifying and assessing underlying investments' PAIs on environmental, social and employee matters, respect for human rights, and anti-bribery & corruption matters.

Aria employs publicly available ESG databases and scoring methodology which aims to identify the quality of governance structures and the most material environmental and/or social adverse impacts for investee companies, and assess how well these adverse impacts are addressed and managed. Aria views ESG integration and ESG methodology as continuously evolving and assesses how these add value in the investment process, as well as taking into consideration emerging issues and risks that are material for its investee companies.

On a fund level, Aria makes use of a wide range of processes to identify and assess principal adverse impacts. As a minimum standard, Aria identifies and mitigates PAIs through the application of exclusion criteria, depending on the fund mandate (by way of example, activity-based exclusions with a high occurrence of adverse impacts, such as controversial weapons). In addition, funds may perform negative screening or the avoidance of the lowest-scoring part of an SI metric that includes principal adverse impact indicators (for example, on the control of corruption).

Aria assesses PAIs using the mandatory indicators set out in Table 1 of Annex I of the RTS, namely:

- Greenhouse gas (GHG) emissions (Scope 1, 2, and 3);
- Carbon footprint and GHG intensity of investee companies;
- Exposure to companies active in the fossil fuels sector;
- Share of non-renewable energy consumption and production;
- Energy consumption intensity per high impact climate sector;
- Activities negatively affecting biodiversity and sensitive sites;
- Emissions to water;
- Hazardous and radioactive waste;
- Violations of UN Global Compact principles and OECD Guidelines;
- Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines;

- Gender pay gap;
- Gender diversity on boards;
- Exposure to controversial weapons;
- Exposure to fossil fuels through real estate assets;
- Exposure to energy-inefficient real estate assets.

Aria also selects additional indicators from Tables 2 and 3 of Annex I of the RTS, including but not limited to the following:

- Companies without carbon emission reduction initiatives;
- Investments in companies without water management policies;
- Investments in companies producing chemicals;
- Land degradation, desertification and soil sealing;
- Lack of processes to monitor compliance with water/waste frameworks;
- The measure of the perceived level of public sector corruption;
- Lack of anti-corruption and anti-bribery policies;
- Non-cooperative tax jurisdictions;
- Lack of a human rights policy;
- Lack of processes and measurers for preventing trafficking in human beings.

Aria assesses and prioritises PAI indicators based on a combination of data availability, sustainability materiality, and sector relevance. Indicators with broad data coverage, clear sustainability risk, and alignment with the sectors in which Aria invests are given priority.

Aria uses both qualitative and quantitative inputs, supported by third-party ESG data and internal analysis, and regularly reviews its approach as new data and regulatory guidance emerges. Where possible, Aria uses third party ESG data and scores (such as those available from Bloomberg) and considers data coverage across the portfolio.

Aria prioritises indicators based on the probability of occurrence and the severity of specific Sustainability Risks relevant to sectors in its investment universe. Each indicator is assessed for its materiality, based on the following:

All companies and issuers must meet financial and ESG criteria before being included in GIIF's portfolio. When all the data is gathered, an ESG score is produced from publicly available data providers. The highest rated will be those assessed as managing the risks identified as part of the ESG analysis most effectively. The lowest rated will be assessed as not managing ESG risks to a standard acceptable enough to warrant investment and will be excluded from eligibility for investment. Companies managing such risks at a lower, but still acceptable, standard will be subject to a weighting cap within the portfolio for risk management purposes.

(b) Actions taken and actions planned

Aria takes appropriate actions to mitigate and manage PAIs identified through the assessment process. These include:

- Active engagement with investee companies on material sustainability issues and or investing in companies with higher sustainability scores than those with lower scores.
- Where possible use of proxy voting rights to influence ESG-related decisions.
- Application of exclusion criteria for companies with high and unmanaged Sustainability Risks and for certain sectors such as coal mining or gas extraction, tobacco, gambling or arms production.
- Integration of Sustainability Factors into investment analysis and decision-making.
- Escalation strategies for persistent PAI-related concerns (e.g., divestment).

Actions Planned:

Every reporting period, Aria will conduct a review to determine whether there has been a reduction in the PAIs of investment decisions on Sustainability Factors. When there is insufficient progress, this PAI framework will be adapted to be more effective. Aria will also continue to develop its engagement with investee companies and/or voting processes, as well as the process during engagements, including escalation strategy and objective-setting. In addition, in the future when enhanced engagement cases are non-effective, Aria can exclude companies from its investment universe. Other actions include:

- Enhancing ESG data integration through new data provider partnerships;
- Developing thematic engagement programs aligned with key PAI indicators;
- Expanding exclusion and screening policies to cover additional high-risk sectors;
- Strengthening ESG training and resources for investment professionals;
- Collaborating with industry initiatives to improve PAI disclosure standards;
- Actions are tailored to the specific context of each investment and guided by our stewardship and responsible investment frameworks.

(c) Adherence to responsible business conduct codes and internationally recognised standards

Aria is committed to avoiding investment in activities and companies that do not adhere to international norms and conventions. As part of its commitment to making financial markets more sustainable, Aria follows a diverse range of institutions to ensure it adheres to best practise in business conduct rules and internationally recognised standards for identification of PAIs. In the next paragraphs, the internationally recognized standards with a concrete link to the Principal Adverse Impacts (PAIs) are outlined:

UN's Global Compact Principles

- PAI 10: UNGC OECD breaches
- PAI 11: UNGC OECD policies
- PAI 14: Controversial weapons
- PAI 17: Anti-corruption & anti-bribery law violations

OECD Guidelines for Multinational Enterprises

- PAI 10: UNGC OECD breaches
- PAI 11: UNGC OECD policies

UN Guiding Principles on Business and Human Rights (UNGPs)

- PAI 10: UNGC OECD breaches
- PAI 11: UNGC OECD policies

International Labour Organization's (ILO) Conventions

- PAI 10: UNGC OECD breaches

Convention on Cluster Munitions, Ottawa Convention, Nuclear Non-proliferation Treaty, Biological Weapons Convention

- PAI 14: Controversial weapons.

Controversial weapons

With respect to UNGCP, OECD, ILO and Human Rights standards and relating to PAIs 10, 11, 14, 17, Aria defines controversial weapons as weapons having indiscriminate effects and causing undue harm and injuries. Certain controversial weapons, namely cluster munitions, antipersonnel mines, chemical and biological weapons and nuclear weapons are regulated by international conventions. With respect to GIIF, Aria excludes all companies with any involvement in controversial weapons from investment.

Consideration of PAIs: Discretionary management services and investment advice to clients which do not qualify as collective investment schemes

- 7.5. Other than as set out above and in light of the Company's size, nature and the scale of its operations, the Company does not currently consider any principal adverse impacts of its investment decisions and investment advisory services on Sustainability Factors unless the product has a sustainable objective. This is due to the following reasons: (i) the clients of the Company not currently expressing interest in financial products that consider the principal adverse impacts on Sustainability Factors (although individual clients can opt into this if they wish); (ii) measuring principle adverse impacts of activities and investments requires significant resources which are not aligned with the Company's current market position; and (iii) sufficient data is not made available by manufacturers of financial products. Nevertheless, the Company may consider such principal adverse impacts in the future should the circumstances set out above change, to the Company's satisfaction. The Company shall re-assess its position on at least an annual basis.

8. REMUNERATION IN RELATION TO SUSTAINABILITY RISKS

- 8.1. Pursuant to Article 5 of the SFDR, the Company must include in its remuneration policy information on how said policies are consistent with the integration of Sustainability Risks.
- 8.2. The Company must ensure that its remuneration policy does not create incentives or bias towards excessive risk taking or violating applicable laws and regulations, which could have a material impact on Sustainability Factors. Additionally, the Company must not create incentives that could lead to any conflicts of interest.

8.3. The Company's remuneration structure has been designed to: (i) align the Company's incentives with clients' long-term interests and the long-term success of the managed portfolios; and (ii) to promote a sound and effective risk management culture to protect value.

8.4. The Company views its remuneration policy to be consistent with the integration of Sustainability Risks. Information on how the Company's remuneration policy is consistent with the integration of Sustainability Risks shall be published on the Company's website.

9. WEBSITE DISCLOSURES

9.1. Any website disclosures that the Company is required to make in terms of the SFDR and any changes thereto, shall be in line with this Policy and other relevant policies of the Company and shall require the prior approval of the Board.

10. ESCALATION

10.1. In the event of a breach of this Policy, the following steps shall be taken: (a) the compliance officer and the risk manager of the Company shall be informed (unless they are the ones discovering the breach); and (b) the Board shall be informed.

10.2. Depending on the circumstance of the case, the Board will take such remedial action as it deems appropriate in the circumstances which may include changing/improving the processes set out in this Policy and commissioning focussed training for officials to mitigate the risk of a repetition of that breach.

11. TRAINING

11.1. The Company shall use its best endeavours to ensure that Board members and relevant employees, to whom these procedures are relevant, undertake training of sufficient time and quality, on a regular basis – as well as on a needs basis – to help maintain their knowledge and expertise and to further support their understanding of the processes set out in this Policy.

12. OWNERSHIP OF POLICY

12.1. The processes and procedures set out in this Policy are owned by the Board.

13. POLICY DEVELOPMENT AND REVIEW

13.1. This Policy shall be assessed and periodically reviewed at least on an annual basis or at such earlier intervals as the Board may deem fit.

13.2. The Board has approved this Policy. Any updates to this Policy shall be approved by the Board.

Annex I – the Sub-Funds

Aria SICAV plc

- i. AlphaPredictor® Multi Asset Balanced Fund;
- ii. AlphaPredictor® Multi Asset Defensive Fund;
- iii. AlphaPredictor® Multi Asset Dynamic Growth Fund;
- iv. Aria Global Impact Income Fund;
- v. Aria Target Income Fund.